

Canada and Dominion Sugar Company, Limited

and its Subsidiaries

Chatham -- Ontario



Consolidated Annual Statements

31st January, 1940

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CANADA AND DOMINION

AND ITS SU

(Incorporated Under The

Consolidated Balance Sheet, 31st January 1940

ASSETS

CURRENT:

Cash on hand and in banks		\$ 3,321,379.37
Investment in bonds (market value \$10,482,162)	\$10,046,442.79	
Interest accrued thereon	111,179.15	10,157,621.94
Accounts receivable	\$ 799,288.31	
Less reserve for possible credit losses	62,000.00	737,288.31
Inventories of sugar, alcohol, by-products and supplies as determined and certified by company officials and valued at the lower of cost or market values		3,708,778.90
		<u>\$17,925,068.52</u>

FIXED:

Land, buildings, plant and equipment (as appraised by Canadian Appraisal Company Limited on 30th April, 1931) with subsequent additions at cost	\$ 8,400,960.89	
Less reserve for depreciation	4,371,952.52	4,029,008.37

PENSION FUND:

Investment in bonds of Dominion of Canada and Province of Ontario at cost (market value \$95,250)	\$ 97,687.50	
Cash	158,181.31	255,868.81

OTHER ASSETS: (including loans to employee shareholders \$4,836.80)

91,728.86

\$22,301,674.56

LIABILITIES

CURRENT:

Accounts payable and accrued charges:		
General	\$ 359,512.77	
Dominion Government excise tax	297,693.04	
Reserve for Dominion and Provincial income and corporation taxes	948,550.10	\$ 1,605,755.91

RESERVES:

Contingencies	\$ 2,275,000.00	
Insurance	300,000.00	2,575,000.00

PENSION FUND:

255,868.81

CAPITAL:

Authorized—3,000,000 shares—no par value		
Issued —1,500,000 shares	\$14,000,000.00	

DISTRIBUTABLE SURPLUS set aside on organization of company

1,000,000.00

EARNED SURPLUS

2,865,049.84 17,865,049.84

\$22,301,674.56

Approved on behalf of the Board.

C. H. HOUSON, Director
W. J. MCGREGOR, Director

AUDITORS' REPORT TO

We have audited the accounts of Canada and Dominion Sugar Company Limited and The Canada Sugar Refining Company Limited for the year ending 31st January 1940. We report that in our opinion the above Consolidated Balance Sheet is properly drawn up and fairly represents the financial position of the company at 31st January, 1940, according to the best of our information, the explanations

Toronto, Canada,
30th April, 1940.

SUGAR COMPANY, LIMITED

SUBSIDIARIES

(Dominion Companies Act)

Consolidated Profit and Loss Account

FOR YEAR ENDING 31st JANUARY, 1940

Net operating profit after all charges (including \$84,710.50 remuneration to executive officers and solicitors' fees, \$16,800 directors' fees and \$496,700.25 depreciation)		\$ 3,681,641.03
Add:		
Interest on investments	\$ 381,962.87	
Profit on sale of bonds	67,773.04	449,735.91
		<u>\$ 4,131,376.94</u>
Deduct special reserve for contingencies		300,000.00
		<u>\$ 3,831,376.94</u>
Deduct provision for income taxes		880,000.00
		<u>880,000.00</u>
Balance of profit carried to consolidated earned surplus account		<u><u>\$2,951,376.94</u></u>

Consolidated Earned Surplus Account

31st JANUARY, 1940

Balance 31st January, 1939		\$ 2,026,172.90
Add:		
Balance from profit and loss accounts as above	\$ 2,951,376.94	
Less reserved for pensions	50,000.00	2,901,376.94
		<u>\$ 4,927,549.84</u>
Deduct dividends:		
Four quarterly dividends of 37½ cents per share each were paid during the year together with an extra dividend of 25 cents per share paid 1st December, 1939. The quarterly dividend paid 1st March, 1939, was provided for in the accounts to 31st January, 1939, and the remaining dividends now charged to surplus amount to		2,062,500.00
		<u>2,062,500.00</u>
Balance 31st January, 1940		<u><u>\$ 2,865,049.84</u></u>

THE SHAREHOLDERS

and its subsidiaries, Montreal Products Company Limited, Dominion Sugar Company Limited, and have received all the information and explanations we have required. We have so far as to exhibit a true and correct view of the state of the combined companies' affairs as shown by the books of the companies.

CLARKSON, GORDON, DILWORTH and NASH,
Chartered Accountants.

